

## Message Text

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20

ORIGIN EB-11

INFO OCT-01 NEA-10 ADP-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 DODE-00 FMC-04 CG-00 COA-02 L-03

/093 R

DRAFTED BY EB/ MA - JPSTEINMETZ: SRP

5/11/73 EXT. 20703

APPROVED BY EB/ MA - RONALD A. WEBB

MARAD - JHOEN ( SUBS)

EXIM BANK - JMCDONNEL ( SUBS)

NEA/ TUR - MBHIRSHORN

----- 061143

R 142133 Z MAY 73

FM SECSTATE WASHDC

TO AMEMBASSY ANKARA

UNCLAS STATE 091675

E. O. 11652: N/ A

TAGS: ETRN, TU, US

SUBJECT: SHIPPING OF EXIMBANK- FINANCED CARGOES

REF: ( A) ANKARA 3470; ( B) STATE 222856, DECEMBER 10, 1971

1. MARITIME ADMINISTRATION ( MARAD) GRANTS WAIVERS UNDER PR-17 ON EXIMBANK- FINANCED CARGOES TO PERMIT RECIPIENT COUNTRY FLAG VESSELS TO CARRY UP TO 50 PERCENT OF GENERATED CARGO TO ALL COUNTRIES, INCLUDING TURKEY, THAT DO NOT DISCRIMINATE AGAINST US FLAG MERCHANT MARINE. MARAD ADMINISTERS THIS POLICY ON A LOAN BY LOAN BASIS AT THE REQUEST OF THE BORROWER, PRIVATE OR GOVERNMENT ( SEE REFTEL B). WHETHER A WAIVER IS GRANTED FOR CARGO TO BE GENERATED UNDER A PARTICULAR CREDIT DEPENDS ON THE SHIPPING POLICIES ( I. E. THAT THEY BE NON- DISCRIMINATORY) OF THE RECIPIENT NATION AT THE TIME OF THE REQUEST. NO UNCLASSIFIED

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OVERALL AGREEMENT COVERING FUTURE WAIVERS ON ANY YET- TO- BE-  
NEGOTIATED EXIM CREDITS HAS BEEN ENTERED INTO BETWEEN THE  
US AND TURKISH GOVERNMENTS.

2. DEPARTMENT ASSUMES THE " AGREEMENT" MENTIONED BY  
TURKISH REP OF AMERICAN SHIPPING LINE REFERS TO FEBRUARY  
1973 APPROVAL BY MARAD OF GENERAL WAIVERS ON THREE  
SEPARATE EXIMBANK CREDITS TOTALLING 80.1 MILLION DOLLARS  
NEGOTIATED BY THE TURKISH GOVERNMENT. TURKISH  
COMMUNICATIONS MINISTRY INSTRUCTION TO GOT AGENCIES,  
REFTEL A, PARA. 1, NO DOUBT ISSUED TO INFORM AGENCIES OF  
SUCH AND TO GUARANTEE TURKISH FLAG VESSEL PARTICIPATION  
TO MAXIMUM OF 50 PERCENT AS WELL AS TO INSURE COMPLIANCE  
WITH GOT OBLIGATION UNDER EXIMBANK CREDIT AGREEMENT TERMS  
THAT 100 PERCENT OF GENERATED CARGO BE SHIPPED ON US  
BOTTOMS EXCEPT WHERE MARAD PR-17 WAIVER GRANTED. THIS  
OBLIGATION WOULD LIKEWISE APPLY TO THE TURKISH PRIVATE  
SECTOR FOR ANY PORTION OF CREDIT UTILIZED BY SUB- BORROWERS  
OR ANY RELENDING BASED ON A PART OF THE INITIAL CREDIT.

3. DEPARTMENT OF OPINION REMARKS QUOTED PARA. 2, REFTTEL A,  
RE EXPECTED NEGATIVE EFFECT ON COMPANIES FUTURE CARGO  
MOVEMENTS OVERSTATED. WE ASSUME THAT TURKISH REP MENTIONED  
IS AGENT US SHIPPING LINE, BUT WE WOULD APPRECIATE  
CONFIRMATION OF THIS AND NAME OF LINE INVOLVED. IN  
DISCUSSING MATTER WITH TURKISH REP EMBASSY SHOULD  
EMPHASIZE THAT MARAD PR-17 WAIVER APPLIES ONLY TO EXIMBANK  
CARGOES AND NOT TO NORMAL COMMERCIAL CARGOES.

4. RE PARA. 3, REFTTEL A, EXIMBANK- FINANCED GOODS FOR THE  
MOST PART ARE LINER CARGOES AND MOVE AT CONFERENCE RATES  
WHETHER ON US BOTTOMS OR ON VESSELS OF THE RECIPIENT  
NATION. HOWEVER, IN CASE OF SERIES OF SHIPMENTS FOR  
SINGLE PROJECT, AS MAY BE INVOLVED UNDER LARGE EXIMBANK  
LOAN, CARGO SHIPPERS ARE FREQUENTLY ABLE TO NEGOTIATE  
LOWER " PROJECT RATES" WITH CONFERENCE MEMBERS ( PRESUMABLY  
BOTH THE US LINES AND TURKISH FLAG CARRIER IN THIS  
CASE), WHICH RESULT IN SOMEWHAT LOWER DELIVERED PRICE OF  
THE GOODS IN QUESTION. RUSH

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NMAFVVZCZ

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\*\*\* Current Classification \*\*\* UNCLASSIFIED

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